



**Rule and Interpretive/Policy Statement Review Checklist**  
(This form must be filled out electronically.)

**This form is to be used when the current version of the rule(s) has/have not previously been reviewed. When reviewing an interpretive or policy statement, this document is to be used only if the review of the statement is not in conjunction with the review of a rule.**

All responses should be **bolded**.

Document(s) Reviewed (include title): **WAC 458-20-222 (Veterinarians.)**

Date last adopted/issued: **March 31, 1999**

Reviewer: **Sue Goldstein**

Date review completed: **January 5, 2003**

Briefly explain the subject matter of the document(s):

**Rule 222 explains the application of B&O and sales taxes to veterinary services and items such as medicines, bandages, and splints that are purchased by veterinarians for resale or for use in providing veterinary services.**

Type an "X" in the column that most correctly answers the question, and provide clear, concise, and complete explanations where needed.

**1. Public requests for review:**

| YES | NO       |  |
|-----|----------|--|
|     | <b>X</b> | Is this document being reviewed at this time because of a public (e.g., taxpayer or business association) request? |

If "yes," provide the name of the taxpayer/business association and a brief explanation of the issues raised in the request.

**2. Need:**

| YES      | NO       |  |
|----------|----------|--|
| <b>X</b> |          | Is the document necessary to comply with the statutes that authorize it? (E.g., Is it necessary to comply with or clarify the application of the statutes that are being implemented? Does it provide detailed information not found in the statutes?) |
|          | <b>X</b> | Is the information provided in the document so obsolete that it is of little value, warranting the repeal or revision of the document?   |
| <b>X</b> |          | Have the laws changed so that the document should be revised or repealed? (If the response is "yes" that the document should be repealed, explain and identify the statutes the rule implemented, and skip to Section 10.)                             |
| <b>X</b> |          | Is the document necessary to protect or safeguard the health, welfare (budget  |



|  |  |   |
|--|--|---|
|  |  | levels necessary to provide services to the citizens of the state of Washington), or safety of Washington's citizens? (If the response is "no", the recommendation must be to repeal the document.) |
|--|--|---|

Please explain.

**RCW 82.08.880 and 82.12.880, enacted by chapter 17, Laws of 2001 2nd Special Session, provide sales and use tax exemptions to farmers and veterinarians for animal pharmaceuticals, and establish conditions to qualify for the exemptions. WAC 458-20-222 discusses retail sales tax exemptions in subsection (3)(c), but the exemption for animal pharmaceuticals created in 2001 is not included. WAC 458-20-210 was recently revised and addresses animal pharmaceuticals, but WAC 458-20-222 does not reference WAC 458-20-210.**

**Subsection (3)(c) has a reference to WAC 458-20-122, which was repealed effective September 25, 2003, and its subject matter incorporated into WAC 458-20-210.**

**3. Related interpretive/policy statements, court decisions, BTA decisions, and WTDs:**

Complete Subsection (a) only if reviewing a rule. Subsection (b) should be completed only if the subject of the review is an interpretive or policy statement. Excise Tax Advisories (ETAs), Property Tax Advisories and Bulletins (PTAs/PTBs), and Interim Audit Guidelines (IAGs) are considered interpretive and/or policy statements.

**(a)**

| YES | NO       |   |
|-----|----------|---|
|     | <b>X</b> | Are there any interpretive or policy statements that should be incorporated into this rule? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)  |
|     | <b>X</b> | Are there any interpretive or policy statements that should be cancelled because the information is currently included in this or another rule, or the information is incorrect or not needed? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.) |
|     | <b>X</b> | Are there any Board of Tax Appeals (BTA) decisions, court decisions, or Attorney General Opinions (AGOs) that provide information that should be incorporated into this rule?   |
|     | <b>X</b> | Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) that provide information that should be incorporated into the rule?  |

**(b)**

| YES | NO        |   |
|-----|-----------|---|
|     | <b>NA</b> | Should this interpretive or policy statement be incorporated into a rule?   |
|     | <b>NA</b> | Are there any Board of Tax Appeals (BTA) decisions, court decisions, or Attorney General Opinions (AGOs) that affect the information now provided in this document? |
|     | <b>NA</b> | Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) that provide information that should be incorporated into the document?            |



If the answer is “yes” to any of the questions in (a) or (b) above, identify the pertinent document(s) and provide a brief summary of the information that should be incorporated into the document.

**4. Clarity and Effectiveness:**

| YES      | NO       |  |
|----------|----------|--|
| <b>X</b> |          | Is the document written and organized in a clear and concise manner?   |
|          | <b>X</b> | Are citations to other rules, laws, or other authority accurate? (If no, identify the incorrect citation below and provide the correct citation.)  |
| <b>X</b> |          | Is the document providing the result(s) that it was originally designed to achieve? (E.g., does it reduce the need for taxpayers to search multiple rules or statutes to determine their tax-reporting responsibilities or help ensure that the tax law and/or exemptions are consistently applied?) |
|          | <b>X</b> | Do changes in industry practices warrant repealing or revising this document?  |
|          | <b>X</b> | Do administrative changes within the Department warrant repealing or revising this document?   |

Please explain.

**Subsection (3)(c) refers to WAC 458-20-122, which was repealed effective September 25, 2003. The subject matter of Rule 122 was incorporated into WAC 458-20-210.**

**5. Intent and Statutory Authority:**

| YES      | NO       |   |
|----------|----------|---|
| <b>X</b> |          | Does the Department have sufficient authority <b>to adopt</b> this document? (Cite the statutory authority in the explanation below.)   |
| <b>X</b> |          | Is the document consistent with the legislative intent of the statute(s) that authorize it? (I.e., is the information provided in the document consistent with the statute(s) that it was designed <b>to implement</b> ?) If “no,” identify the specific statute and explain below. List all statutes being implemented in Section 9, below.) |
|          | <b>X</b> | Is there a need to recommend legislative changes to the statute(s) being implemented by this document?  |

Please explain.

**RCW 82.32.300 and 82.01.060 authorize the Department of Revenue to adopt and publish rules.**

**6. Coordination:** Agencies should consult with and coordinate with other governmental entities that have similar regulatory requirements when it is likely that coordination can reduce duplication and inconsistency.

| YES | NO       |   |
|-----|----------|---|
|     | <b>X</b> | Could consultation and coordination with other governmental entities and/or state agencies eliminate or reduce duplication and inconsistency? |



Please explain.

**The Department of Revenue has the exclusive authority for administering the B&O and sales taxes as they relate to the practice of veterinary medicine. The Department of Licensing administers statutes and rules relative to veterinary practices.**

**7. Cost:** When responding, consider only the costs imposed by the document being reviewed and not by the statute.

| YES | NO       |  |
|-----|----------|--|
|     | <b>X</b> | Have the qualitative and quantitative benefits of the document been considered in relation to its costs? (Answer "yes" only if a Cost Benefit Analysis was completed when the rule was last adopted or revised.) |

Please explain.

**This is an interpretive rule that imposes no new or additional administrative burdens on businesses that are not imposed by law.**

**8. Fairness:** When responding, consider only the impacts imposed by the document being reviewed and not by the statute.

| YES      | NO       |   |
|----------|----------|---|
| <b>X</b> |          | Does the document result in equitable treatment of those required to comply with it?  |
|          | <b>X</b> | Should it be modified to eliminate or minimize any disproportionate impacts on the regulated community?   |
|          | <b>X</b> | Should the document be strengthened to provide additional protection to correct any disproportionate impact on any particular segment of the regulated community? |

Please explain.

**Rule 222 results in an equitable tax treatment of those persons required to comply with it.**

**9. LISTING OF DOCUMENTS REVIEWED:** Use "bullets" with any lists, and include documents discussed above. Citations to statutes, interpretive or policy statements, and similar documents should include titles. Citations to Attorney General Opinions (AGOs) and court, Board of Tax Appeals (BTA), and Appeals Division (WTD) decisions should be followed by a brief description (i.e., a phrase or sentence) of the pertinent issue(s).

Statute(s) Implemented: **The following statutes are implemented with respect to the business activities of veterinarians:**

- **RCW 82.04.040 ("Sale," "casual sale.")**
- **RCW 82.04.050 ("Sale at retail," "retail sale");**
- **RCW 82.04.060 ("Sale at wholesale," "wholesale sale")**
- **RCW 82.04.070 ("Gross proceeds of sales")**
- **RCW 82.04.080 ("Gross income of the business");**
- **RCW 82.04.130 ("Commercial or industrial use")**



- **RCW 82.04.190 ("Consumer")**
- **RCW 82.04.220 (Business and occupation tax imposed)**
- **RCW 82.04.250 (Tax on retailers);**
- **RCW 82.04.290 (Tax on international investment management services or other business or service activities);**
- **RCW 82.08.010 (Definitions)**
- **RCW 82.08.020 (Tax imposed -- Retail sales . . .)**
- **RCW 82.08.0259 (Exemptions - Sales of livestock)**
- **RCW 82.08.0272 (Exemptions - Sales of semen for artificial insemination of livestock);**
- **RCW 82.12.010 (Definitions)**
- **RCW 82.12.020 (Use tax imposed)**
- **RCW 82.12.0261 (Exemptions - Use of livestock)**
- **RCW 82.12.0267 (Exemptions - Use of semen in artificial insemination of livestock)**

Interpretive and/or Policy Statements (e.g., ETAs, PTAs, IAGs):

Court Decisions:

Board of Tax Appeals Decisions (BTAs):

Appeal Division Decisions (WTDs):

Attorney General Opinions (AGOs):

Other Documents (e.g., special notices or Tax Topic articles, statutes or regulations administered by other agencies or government entities, statutes, rules, or other documents that were reviewed but were not specifically relevant to the subject matter of the document being reviewed):

- **RCW 82.08.880 (Exemptions - Animal pharmaceuticals)**
- **RCW 82.12.880 (Exemptions - Animal pharmaceuticals)**
- **WAC 458-20-102 (Resale certificates)**
- **WAC 458-20-178 (Use tax)**
- **WAC 458-20-210 (Sales of tangible personal property for farming - Sales of agricultural products by farmers)**
- **Special Notice, Sales and Use Tax Exemption to Farmers and Veterinarians for Animal Pharmaceuticals, August 1, 2001, Reissued April 2002**



## 10. Review Recommendation:

- ☒ **Amend**
- ☐ **Repeal/Cancel** (Appropriate when action is not conditioned upon another rule-making action or issuance of an interpretive or policy statement.)
- ☐ **Leave as is** (Appropriate even if the recommendation is to incorporate the current information into another rule.)
- ☐ **Begin the rule-making process for possible revision.** (Applies only when the Department has received a petition to revise a rule.)

**Explanation of recommendation:** Provide a brief summary of your recommendation. If recommending that the rule be amended, be sure to note whether the basis for the recommendation is to:

- Correct inaccurate tax-reporting information now found in the current rule;
- Incorporate legislation;
- Consolidate information now available in other documents (e.g., ETAs, WTDs, and court decisions); or
- Address issues not otherwise addressed in other documents (e.g., ETAs, WTDs, and court decisions).

**Rule 222(3)(c) references two exemptions to retail sales and use tax--feed sales for purebred livestock used for breeding purposes and semen used for artificial insemination—but fails to reference a third exemption from retail sales and use tax, animal pharmaceuticals used under certain conditions. This was a 2001 change in the law, and is discussed in the Special Notice referenced above. This exemption from retail sales and use tax for animal pharmaceuticals is also referenced in Rule 210, but Rule 210 is not referenced in Rule 222.**

**Rule 222(3)(b) references WAC 458-20-122, which was repealed effective September 25, 2003, the subject matter of which has been included in Rule 210. When Rule 222 is next revised, the reference to WAC 458-20-122 should be corrected to WAC 458-20-210.**

## 11. Manager action: Date: 1/14/03\_

AL Reviewed and accepted recommendation

Amendment priority:

- ☐ 1  
☐ 2  
☒ 3  
☐ 4